(iii) Demand and supply scenario,and

(iv) Landed cost of imported coal.

For the pit-head power plants of NTPC however, coal companies have entered into a long term Fuel Supply Agreement (FSA). The FSA contains a price escalation formula and prices of coal supplied to these pit-head power plants are arrived at each year on the basis of the said formula taking the base price as applicable on the date of implementation of FSA.

(b) Yes, Sir. the difference in price of coking coal and the coal being supplied to the steel companies is arising out of the difference between the prices of two products. The price of raw coking coal is notified by CIL whereas the price of washed coking coal, which is a value added product, is negotiated with Steel Authority of India Ltd. (SAIL) every year bilaterally. Other steel companies like IISCO, TISCO and RINL either offer a price higher than the negotiated price or adopt the same price as negotiated with SAIL.

(c) the basic price of coking coal ranges between Rs. 930/- per tonne to Rs. 2960/- per tonne, whereas the total price of washed coking coal supplied to SAIL during March, 2005 ranged between Rs. 2526/- to Rs. 3578/- per tonne.

**Coal imports due to sub-standard indigenous coal**

3725. SHRI KALRAJ MISHRA: Will the PRIME MINISTER be pleased to state:

(a) whether Government are considering on procuring coal from foriegn countries due to sub-standard quality of coal being produced in the country;

(b) if so, the details thereof; and

(c) whether N.T.P.C. has refused to purchase coal from some collieries?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO):

(a) & (b) Indian coal contains high percentage of ash and is of relatively poor quality. To fill in the gap between demand and supply, Government have advised power utilities and other industries to import some coal.

(c) No.Sir.